of joint ventures by Indian Companies with their countetparts in Sri Lanka. The third meeting of Indo-Srilanka Joint Business Council was held in Colombo on March 8-9, 1993. The Control stressed the need for accelerating trade between the two countries through diversification of product, by setting up joint ventures with buy-back arrangements, and by joint export promotion in mutually agreed sectors. Several areas for potential joint ventures by Indian Companies were identified through one to one meetings. The Council hoped that the recent liberalisation measures introduced by India and the greater role assigned to the pvt. sector would help in greater flow of Indian investment into Sri Lanka.

**Problems regarding growth of industries in rural.areas**

444. SHRI AJIT *P.* K. JOGI : Will the PRIME MINISTER be pleased to state

(a) what are the main problems of rural industries;

(b) whelher Government are making efforts to remove the bottlenecks responsible for the growth of industries in the rural areas;

(c) if so, the details thereof; and

(d) the scheme sponsored|incentives provided so far to promote the growth of rural industries '.'

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (DEPARTMENT OF SMALL SCALE INDUSTRIES AND AGRO AND RURAL INDUSTRIES) (SHRI M. ARUNACHALAM) : (a) The main problems of rural industries are inadequate flow of credit, low technology and productivity, lack of marketing outlets, difficulty in getting raw material and poor infrastructure facility.

(b[1] »o (d) Government is taking various measures to solve these problems. Based upon the recommendatons of Nayak Committee, Reserve Bank of India is formulating plan to increase the flow of credit to the sector. Fisical concessions such as excise exemptions are given to nual industrial projects by Central Government and Sales Tax concessions by State Governments, In addition, the State Governments also provide infrastructural facilities such as cheap rate of power tariff, work-shed facilities, etc. District Industries Centres (DICs) have also been extending marketing, technology and other assistance to rural industries. KVIC has initiated various measures to upgrade the technology, improve the marketing and promote the competitiveness of rural industries. It also provides rebates and interest subsidy to KVI products.

**Effect of liberalisation policy on Hindustan Newsprint Unn:ed**

445. SHRI P. UPENDRA : Will the PRIME MINISTER be pleased to state :

(a) whether it is a fact that the liberalisation policy and escalation of input costs have affected the functioning of the Hindustan Newsprint Limited; and

(b) if so, what steps Government are tak'ng to help the unit to attain viability ?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (DEPARTMENT OF INDUSTRIAL DEVELOPMENT) WITH ADDITIONAL CHARGE OF THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (DE-PARTMENT OF HEAVY INDUSTRY) (SHRIMATI KRISHNA SAHI) : (a) and (a) The Indian Newsprint Manufacturers' Association, of which Hindustan Newsprint Limited is also a member, has represented that import policy of newsprint has affected the sale of indigenous newsprint and remunerative price for their production and sought certain modifications in the present policy,